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Evaluation of public interventions at regional level; the new evidence for actual programming period

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Abstract:

Within the European Union, the impact of structural funds is evaluated periodically with the purpose of identifying the attainment degree of the convergence objectives and the efficiency in implementing the cohesion and regional development policy.

The regional policy, assimilated in general to a public intervention at territorial level is evaluated in certain stages of implementation for learning about the whole change obtained as result of the actions and measures realised with the purpose of attaining the established objectives (for instance, diminishing inter- and intraregional disparities, balanced economic and social development, employment, output and consumption growth, improving social, transport, environmental, tourism and education infrastructure, etc.). Irrespective of the stage to which it refers, evaluation is based on the spatial analysis techniques and methods presented in the previous chapter, its outcomes being useful for improving the decisional process.

Actual regulations for regional programme require central authorities to carry out evaluations which assess the effects of structural interventions. This is an essential element of the strengthened results-focus of the policy. The evaluation plans are therefore strategic documents setting out how these evaluations will be organised in order to provide evidence on effects for policy making.

Key words: evaluation of public intervention, Structural Funds

JEL classification: R11, R12, F02

1. Introduction

Evaluation is defined by the European Union as a process of “*judging the value of a public intervention based on some explicit criteria and standards* (e.g. relevance, efficiency, sustainability, equity, etc.)”¹, which contributes to realising responsible governance by provided feedback on efficiency, efficacy and performances of public policies, organisations or programmes². As of 1996, *evaluation at EU level becomes obligatory for all programmes financed by structural and cohesion funds*, irrespective of the reference field (regional, environment, transport, etc.) and of the moment of their implementation (ex-ante, interim and ex-post).

By evaluation is pursued to improve quality, effectiveness and coherence of policies financed from public funds (structural and cohesion funds), as well as of the strategy for implementing operational programmes against the objective regarding sustainable development and community directives in the matter of environmental impact and strategic environmental assessment³. In fact, evaluation identifies the specific contribution of public policies pursuing the efficiency in limited character resources’ allocation, establishing and reaching some clearly formulated objectives, the impact analysis, improving performances and effectiveness, and developing stakeholders’ capacity (interested factors) in realising and implementing programmes and projects.

2. Evaluation – typology, logical framework and indicators

Generally speaking, the evaluation typology has based on functional criteria that intend to facilitate the selection of one form or another, depending on pursued objectives:

- *Strategic evaluation* is used when an analysis is intended on the evolution of the public policy as compared with national and community objectives.

¹ European Commission, http://ec.europa.eu/regional_policy/sources/docgener/evaluation/evalsed/index_en.htm.

² Public Management Service (PUMA) din cadrul OCDE, *PUMA Policy Brief No. 5 – Best Practice Guidelines for Evaluation* <http://www.oecd.org/dataoecd/11/56/1902965.pdf>.

³ Council Regulation (EC) no. 1083/2006 of 11 July 2006, laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) no. 1260/1999.

- *Ongoing evaluation* – when monitoring is pursued during the implementation of the public policy.
- *Ex-ante evaluation* – for optimising allocated resources through intervention (programme, or project) and improving the quality of the programming process as a whole, already at the beginning of the implementation. By this evaluation, disparities are identified, development lacks and potential, objectives that must be achieved, provisioned outcomes, quantified objectives, coherence of regional strategy, community value added, the degree of priorities' integration, conclusions of the preceding programming and the quality of implementation, monitoring, evaluation and financial management procedures.
- *Ex-post evaluation* –for examining the use degree of resources, of efficacy, and efficiency of structural funds' programming and the socio-economic impact by the end of the implementation period. In this stage the factors contributing to success or failure of the public intervention implementation are reviewed and good practice examples are identified.

Public policies financed by structural funds have a complex character, both at sectoral and territorial level, because these are co-financed in some cases also from national funds or private ones. In these circumstances, evaluation represents a true challenge because not only the contribution of each element is analysed but also the synergy between these elements or the matrix of the cross-sectional impact. Each intervention brings with it a certain particularity with respect to traditional evaluation and very often the difficulty of combining it with other categories of intervention.

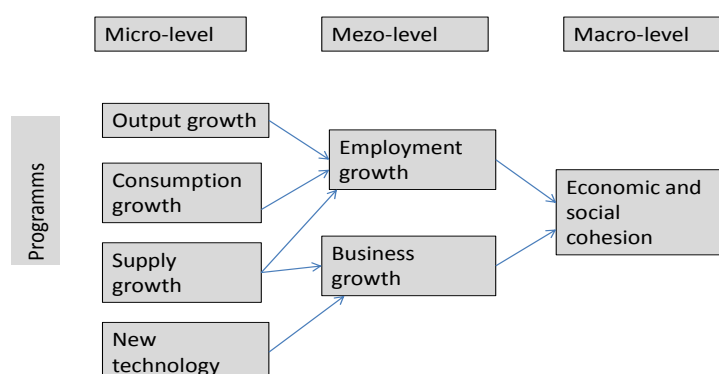
Evaluation of public policy is affected by a series of factors that have an important impact on the quality of the process as a whole; from these the most important ones are:

1. *Decentralised management* - some public interventions promoted by regional or local agencies lead to different information used in evaluation;
2. *quality of evaluators* involved in the process and their independence degree, objectiveness, professional training level, and experience;
3. *receptiveness of management authorities* and of other institutional categories involved in the implementation process of public interventions based on recommendations proposed as outcome of the evaluation;

4. financial resources involved in evaluation.

The impact of an intervention at regional level can be found both at microeconomic level (increased production, innovativeness, etc.) and at macroeconomic level (contributions in attaining economic cohesion, etc.), as the evaluation has the task to identify and quantify it (Figure 1).

Figure 1: Estimated effects of implementing a regional development programme



Source: Kocziszky, G. (2009), *Methodology of regional development*, University of Miskolc, Faculty of Economy.

Each evaluation activity presupposes a cognitive process (logical framework) through which are defined the main elements of a project and the relations between provisioned entries, planned activities and expected outcomes. The logical framework can be used both during initial planning of the public intervention and in the implementation period, providing a global image on the way in which certain objectives can be reached.

In any logical framework, public interventions (or development projects) are regarded as causality links between events occurred at various levels (entries, activities, outputs, objectives). The relationships and causality links at the basis of each evaluation process can be reproducing with the assistance of the logical framework and of its basic elements⁴:

⁴ Nagarajan, N.; Vanheukelen, M. (1997), *Evaluating EU Expenditure Programmes: A Guide. Ex-Post and Intermediate Evaluation*, Commission of the European Communities, Brussels, p. 25.

Needs → [Objectives → Inputs → Activities → Outputs →] Outcomes → Effects

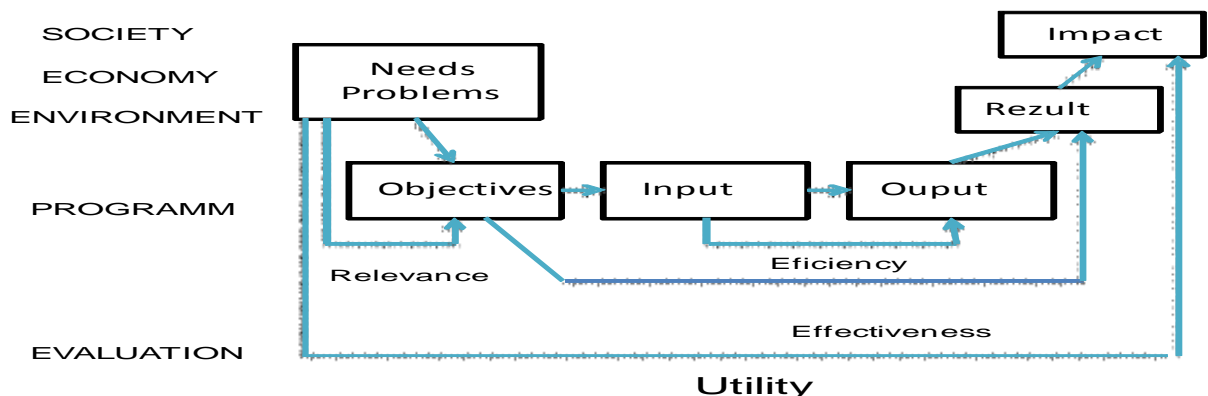
The relational system between needs, objectives, inputs/outputs, outcomes and effects substantiates the evaluation process of the programme impact, the notified differences being sensibly affected by the specifics of the observed field and the of the corresponding economic and social issues. When the objectives set up by the programme are expressed in terms of outcomes, the efficiency can be measured as relationship between outputs (exits) and inputs (entries), costs and benefits, etc

Evaluation contributes to improving efficiency and effectiveness of intervention by diminishing the initial asymmetry of existing information at the level of the financier and at the one of the one benefitting from the funds or realizing the implementation.

The most important element of evaluation – the impact – can be regarded in terms of *results* (outputs – physical results) and *effects* (outcome, effects on long-term on the beneficiaries)

In the evaluation practice of public interventions financed from structural funds, the initial impact is known as output of implementing the programme, whereas the long-term impact is regarded as sustainable outcome in time and space. Also, the usefulness of the programme is evaluated, the way in which the outcomes meet economic and social needs, the long-term effects, etc. Depending on the impact categories considered, the objectives of the programme can be established which are regarded as operational (*outputs*), specific (*results*) or general (*outcomes*) (Figure 2).

Figure 2: Logical framework of public intervention (development programme)



Source: MEANS, 1999, p. 32.

The indicators used in public evaluations must fulfil a series of quality criteria: (1) they should overlap the needs identified by means of the programme; (2) to be simple and easy understandable (number of jobs, number of kilometres of modernised public roads, number of hospitals, etc.); (3) to have a certain balance between the indicators; (4) to present significant implications of the decisional process; and, (5) to be found in national or regional statistics.

The system of indicators represents the most important instrument of evaluation, while the categories of indicators can be grouped as follows⁵: *specific, generic and key-indicators, context and programme indicators, resource indicators, immediate output indicators, outcome indicators, impact, relevance, efficiency, effectiveness and performance indicators*. In evaluating public policies, preponderantly resource indicators (inputs) are considered, along with output/exit indicators, and the outcome and impact ones.

For evaluating the impact and progresses registered in implementing various public policies within EU Member-States a number of key-indicators was established (Regulation no. 1083/2005 – Art. 37) that must meet the imposed quality criteria: specificity, measurability, availability, relevance and timeliness (SMART). The quality of evaluations is directly influenced by the quality of existing and analysed data and information, but also by the expertise and independence of the evaluators involved in the process.

3. Evaluation of public interventions within the European Union – tradition and experiences

Under this chapter a synthetic presentation is done about relevant practices in the field of evaluating the impact of public interventions financed by European Union structural funds. Thus, experience and traditions related to evaluating public interventions are directly influenced by the volume of allocations from structural and cohesion funds.

⁵ European Commission (1995), *Common Guidelines for Monitoring and Evaluation*, Luxembourg, OPOCE.

Nowadays, evaluation of public interventions is compulsory for all Member-States as it is regarded as a correction means of possible derails identified during implementation of local, regional and national programmes and projects.

With respect to the practice of evaluation at community level, major approach divergence is found between the Member-States as countries with an important tradition can be identified, but also States less familiarised with evaluation (especially countries from the south-eastern part of Europe). For the countries with tradition, evaluation is regarded as an important component of public policy, being considered as an interactive process.

Evaluation of the impact of public interventions financed from structural funds turned obligatory during the programming period 1989-2003 being gradually introduced in all EU Member-States. Initial difficulties were triggered by lacking data, indicators, and target-objectives, and monitoring system coherence, in particular at regional level.

Subsequently, many of the above-mentioned deficiencies were improved with the help of the suggestions and conclusions of the MEANS⁶ programme by which it was attempted to promote a “European evaluation culture” with the purpose of increasing awareness about the importance of this process. The outcomes of this programme were visible as of the programming period 1994-2000, as the Member-States adopted their own regulations for the requirements imposed at Community level. One of these rules is the one regarding the obligation of Member-States to evaluate strategies, programmes and projects financed by structural funds in various stages of their implementation, this turning into the common item of all sectoral or regional policies.

After implementing the compulsiveness of evaluation, Member-States have the possibility to choose one or another of the evaluation types, or of combining several methods, evaluation being integrated in the entire structure of the cohesion policy (Table 1).

⁶ European Commission, *Evaluation Methods for Actions of a Structural Nature*, 1995.

Table 1: Some evaluation methods of regional policy used in European Union

<p>For impact: how does a certain programme work?</p> <ul style="list-style-type: none"> • Randomised control test • Difference within the difference • Discontinuous model • Correlation methods • Essential variables 	<p>Theoretic evaluation: why does a certain programme work?</p> <ul style="list-style-type: none"> • Surveys among the beneficiaries • Case studies, interviews • Realistic evaluation • Participative evaluation
<p>Econometrics methods</p> <ul style="list-style-type: none"> • Macroeconomic models (HERMIN, QUEST) • Sectoral models (TRANSTOOLS) • Input and output analyses • Social accounting matrix 	<p>Alternatives methods</p> <ul style="list-style-type: none"> • Costs and benefits analysis • Costs effectiveness analysis • Multiple criteria analysis • Contingent evaluation

Source: http://ec.europa.eu/regional_policy/sources/docgener/panorama/pdf/mag33/mag33_ro.pdf.

In the period 2007-2013, the decisional factors at central and regional level have greater freedom in deciding what shall be evaluated and at what time. The important condition of this freedom is that evaluations are conceived according to their requirements, and obtained outcomes should contribute to improving their implementation.

Experiences regarding implementation of public interventions are influenced decisively by the quality of the evaluation process. Thus, clear evidences can be identified of changing the evaluation process from a static and itemised one, into one more active but also compulsory both in terms of benefits, and with respect to the answer of involved beneficiaries.

In some European Union countries there was an own perspective and way of approaching differently the evaluation process of public interventions at regional level. For some Member-States, there existed right from the beginning an important culture of evaluating spent public funds, while for the others evaluation was less important. Still, it can be noticed that where evaluation was not part of the public policy, ad-hoc studies and analysis were made either politically dictated or as a requirement of economic policy. In most cases, evaluation was regarded as a critical instrument for measuring performances of regional policy (from projecting, implementation and up to obtaining the outcomes).

Depending on the perspective about the evaluation process, we can identify the following groups of Member-States:

- states regarding evaluation as an institutionalised part of implementing a policy;
- states considering evaluation as an occasional exercise;
- states regarding evaluation as a limited and irrelevant exercise of the practice of implementing a regional policy.

In the newly integrated countries of the EU, the evaluation of the programmes financed by structural funds is in an incipient stage, its importance being found in resources' spending efficiency.

The findings show that, in general, a positive attitude about evaluation is shared by the countries from the north-western part of the European Union. For instance, in Germany, the Netherlands, Sweden and Great Britain evaluation is regarded as part of political culture and not just as any simple department of regional policy. A similar attitude can be found also in countries like Austria and Ireland. In all these countries there is a systematic process of evaluation, as it is part of the decisional process in the framework of regional policy (Table 2).

Tabel 2: Evaluation in some Member-States, after the EU expansion

ITALY	
<p>In Italy there are 15 administrative regions and five autonomous regions.</p> <p>The regional policy is implemented by:</p> <ul style="list-style-type: none"> • five ROP within the Convergence objective, • 16 Regional Operational Programmes under the Regional Competitiveness and Employment objective • seven Transborder OP under the Territorial Cooperation objective <p>The Regional Programmes are implemented under the responsibility of the regions. The Regional Government is Management Authority. The Regions deliver part of the co-financing (approx. 25%).</p>	<p>Key aspects, strengths, weaknesses</p> <ul style="list-style-type: none"> • National authorities tend to coordinate the performances of regional governments • Specific regional interests are predominant; • Project implementation is difficult when involving several regions simultaneously (for instance for a highway or railway crossing over three regions). • Their decentralized system allows for creating a small number of management units and control units being more efficient and closer to the territory. <p>Evaluation and approval of</p>

	projects is done only at regional level.
SPAIN	
<p>17 autonomous communities and 19 Operational Programmes financed by ERDF both for the Convergence and for the Regional Competitiveness and Employment objective.</p> <p>Also, there are four multi-regional programmes and three CBC operational programmes.</p> <p>The Ministry of Economy and Finances by the State Sub-unit for ERDF Management is the Management Authority (MA). This Ministry is responsible with managing all programmes co-financed by the European Regional Development Fund. This MA takes into account the management and control of funds.</p> <p>In a region three authorities are involved in evaluation. The Management Authority, the Certification Authority and the Audit Authority.</p>	<p>Key aspects, strengths, weaknesses</p> <p>There are significant regional disparities. The monitoring system is still ineffective and incapable of delivering relevant information regarding obtained results.</p> <p>Evaluation of regional policies</p> <p>Evaluation culture needs to be strengthened both within national authorities and regional authorities.</p> <p>Still no complete system of monitoring the indicators.</p> <p>Evaluation capacity needs to be developed.</p>
CZECH Republic	
<p>Territorial organization is formed out of 14 large autonomous units. From these, 13 are regions, and one is the city Prague.</p> <p>For accessing European funds eight cohesion regions were drawn up, shaped from one or two autonomous regions. Within the institutional frameworks ROP is ensured MA-ROP – Regional Council, the Payments and Certification Authority – Ministry of Finances, and the Audit Authority – Ministry of Finances.</p> <p>The Ministry of Regional Development has the role of National Coordination Authority, next to the Budget Department (decides on financing).</p>	<p>Key aspects, strengths, weaknesses</p> <p>Regional development in the Czech R. has a trans-sectoral character and a multi-sectoral nature, in this process being involved almost all ministries managing activities with territorial impact and which might contribute to diminishing disparities between regions.</p> <p>Evaluation is realized by the Ministry of Regional Development in cooperation with the other ministries (Ministry of Agriculture, Ministry of Industry, and Trade, etc.).</p>

POLAND	
<p>From the viewpoint of administrative-territorial organization, Poland is constituted of 16 regions. The regional development is supported by a multi-regional programme managed at national level (integrated regional programme) by 16 Regional Operational Programmes and seven European Territorial Cooperation programmes, and additionally a Technical Assistance programme.</p> <p>The programmes implemented at regional level have absorption of 24.6% (16 bill. Euro) from the total allocation of funds for the period 2007-2013.</p> <p>The regions are involved in implementing sectoral programmes.</p> <p>ROP are managed by the regional authorities (25% of the funds).</p>	<p>Key aspects, strengths, weaknesses</p> <p>Structural Funds are managed by the Regional Authorities in partnership with the central ones.</p> <p>The government is not involved in managing Regional Operational Programmes, only imposes the guidelines.</p> <p>The issue which persists is determined by the existence of low financial resources of the regional authorities.</p> <p>In the period 2007-2013 was introduced a new approach regarding the performance increase of regional programmes, that is setting-up management by objectives, including by determining the minimum annual sums certified by the EU.</p>

Source: Evaluation the administrative capacity of the regions in the field of regional development , Project co-financed by ERDF by ROP 2007-2013, Contract No. 61/25.02.2011, Evaluation Report (Summary December 2011).

From the experiences of Member States it results that the evaluation process of public interventions underwent, in time, an adjustment and changing process in particular as outcome of the demands imposed by the regulations of the community funds. Thus, the co-financing granted by the European Union and the complexity of the evaluation process have determined the Member-States to expand their capacities of evaluation also on other public interventions not only for those financed by structural funds.

The noticed general trend is that Member-States present a large variety of political approaches with respect to evaluation, but during the last programming period is found that a phenomenon of improving this process takes place, even if a harmonisation of evaluation cannot be discussed yet, from the organisational and methodological viewpoint.

4. A new look of Structural Funds evaluation

For actual programming period 2014-2020, the regulation for European Structural and Investment Funds (ESIF) represents a radical change for Operational Programmes. The Common Provisions Regulation (CPR) emphasises programme objectives, the logic of intervention to achieve the expected results and the evaluation of effectiveness and impacts. Furthermore it requires from Managing Authorities and the Commission annual reporting on outputs and results, including findings of evaluations where available. In order to strengthen the contribution of evaluations to the effectiveness of the programmes, the CPR makes it compulsory for Managing Authorities to design evaluation plans at the beginning of the programming period.

The role of the evaluation plan is central: it will support quality evaluations as well as their effective use by Managing Authorities; it will facilitate sharing of knowledge on what works and how in different policy fields; and, ultimately, it will contribute to the design and implementation of evidence based programmes and policies⁷.

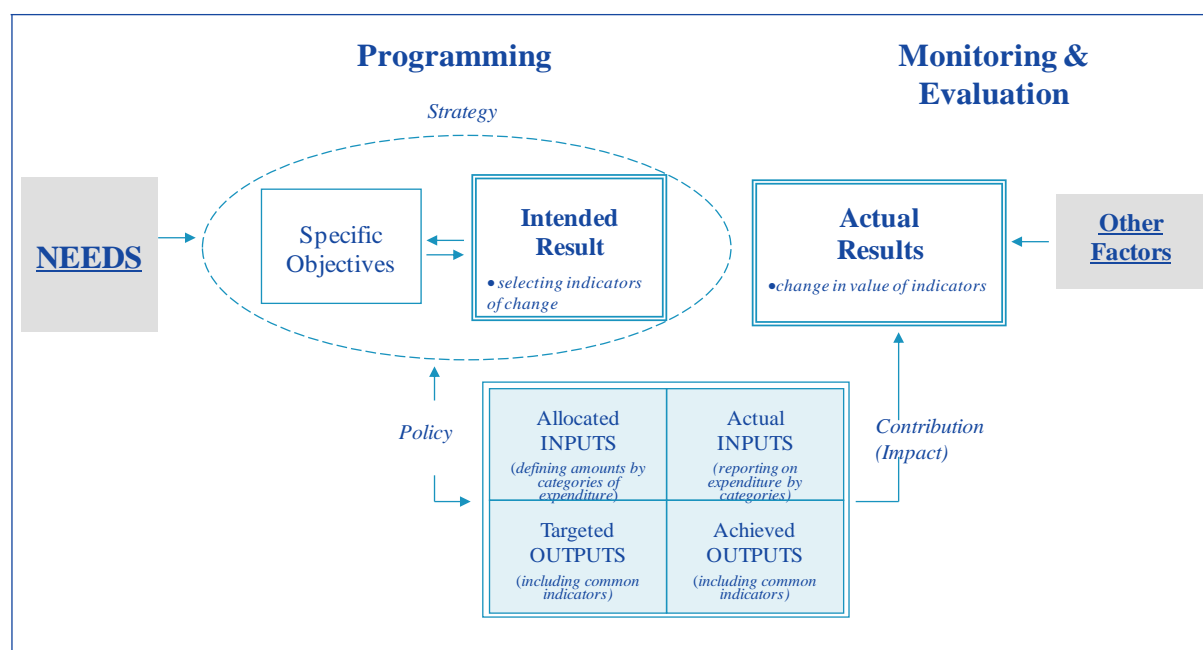
Results Orientation for actual evaluation:

- objectives must have a corresponding result indicator and baseline;
- result indicator is a proxy for intended change;
- Policy monitoring reports on evolution of results indicator & feeds debate;
- evolution of result indicator is a consequence of policy and other factors;
- evaluation to disentangle effects of policy from other factors & unintended effects

(Figure 3).

⁷ Regulation (EU) No 1303/2013 of the European Parliament and the Council of 17 December 2013 laying down common provisions on the ESI Funds, referred to throughout this document as the CPR (Common Provisions Regulation).

Figure 3: The new logic intervention



Source: DG Regio

In previous programming periods, evaluations have tended to focus more on implementation issues than capturing the impacts.

For 2014-2020, the new regulations require Managing Authorities to carry out evaluations which assess the effects of the ESIF programmes. This is an essential element of the strengthened results-focus of the policy. The evaluation plans are therefore strategic documents setting out how these evaluations will be organised in order to provide evidence on effects for policy making.

5. Conclusions

The obligation of evaluating public interventions financed by structural funds changed significantly the attitude of Member States about this process and, in particular, of the countries which did not have a minimum culture of evaluation (in specially, new member state), determines Member States to review their attitude regarding the evaluation.

At EU level, the evaluation was regulated by various directives of the Council (EC) and working papers of the Commission⁸, and it was established that for public interventions financed from structural funds are required evaluations on different intervals of time (before, during, and after implementation) that would highlight the impact and results obtained.

As a rule, evaluations of some major public interventions (for instance, certain policies or territorial or sectoral programmes) are very costly and, therefore, next to compulsory standard evaluations (ex-ante, intermediary, ex-post) as more useful are considered in point (ad-hoc) evaluations or financing some institutional arrangements that would meet simultaneously the conditions:

- to involve the departments/agencies in the regional/local and national economic development;
- to be able to combine resources intended for evaluation with those regarding monitoring, but also with financing existing expertise;
- to contribute to understanding efficiency and effectiveness of interventions of a regional (territorial) nature.

Actual regulations for regional programme require Managing Authorities to carry out evaluations which assess the effects of structural interventions. This is an essential element of the strengthened results-focus of the policy. The evaluation plans are therefore strategic documents setting out how these evaluations will be organised in order to provide evidence on effects for policy making.

⁸ Regulation no. 1083/2006 which substantiated the Governmental Resolution no. 457/2008 regarding the institutional framework of coordinating and managing structural instruments. Based on this GR are established the role and responsibilities in the field of evaluation; *Working Paper no. 1*: Indicative guidelines regarding the methods of evaluation; ex-ante evaluation; *Working Paper no. 2*: Indicative guidelines regarding the methods of evaluation: monitoring and evaluation indicators; *Working Paper no.3*: Methodological Paper of the Commission which provides for the guidelines regarding the calculation of public expenditures or structural expenditures with the purpose of complying with the additionality principle; *Working Paper no. 5*: Indicative guidelines regarding the evaluation methods: ongoing evaluation during the programming period.

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